



AFFORDABLE CARE ACT MASSACHUSETTS IMPLEMENTATION UPDATE

February 28, 2012

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These Updates, published by the Executive Office of Health and Human Services (EOHHS) in consultation with the other state agencies involved in ACA implementation, will bring you news related to the implementation of provisions of the ACA here in Massachusetts.

Grant Activity

2/22/12 HHS awarded an \$11,644,938 Level 1 Exchange Establishment Grant under ACA §1311 to the Health Connector. The grant funding will enable the Health Connector to transition to an ACA-compliant Exchange, ensuring it has the products and services to best meet the needs of individuals and small businesses in Massachusetts, supporting other work with state partners in moving forward with implementation of other key components of federal health care reform implementation, and working with state and other community partners to develop a strategy to best outreach to and educate individuals and small businesses on the impact of the ACA and the new affordable health insurance options that may be available to them come 2014.

For more information, read the project abstract at: [Mass.Gov](#)

Guidance

2/24/12 HHS released a bulletin regarding Actuarial Value and Cost Sharing Reductions. According to HHS, the bulletin is intended to provide information and solicit comments on the regulatory approach that HHS plans to propose to define actuarial value (AV) for qualified health plans (QHPs) and other non-grandfathered coverage in the individual and small group markets under §1302(d)(2) of the ACA as well as to implement cost-sharing reductions under §1402 of the ACA.

AV is a measure of the percentage of expected health care costs a health plan will cover. AV is calculated based on the cost-sharing provisions for a set of benefits. Section 1402(a)(c) of the ACA directs issuers to reduce cost-sharing on essential health benefits (EHB) for individuals with household incomes below 400% of the Federal Poverty Level who are enrolled in a QHP in the individual market through an Affordable Insurance Exchange.

Read the bulletin at:

<http://www.cciio.cms.gov/resources/files/Files2/02242012/Av-csr-bulletin.pdf>

2/27/12 CMS published the final rule related to Medicaid Program; Review and Approval Process for Section 1115 Demonstrations. The rule will implement provisions of ACA §10201(i) that set forth transparency and public notice procedures for experimental, pilot, and demonstration projects approved under section 1115 of the Social Security Act relating to Medicaid and the Children's Health Insurance Program (CHIP).

Read the rule at:

<http://www.gpo.gov/fdsys/pkg/FR-2012-02-27/pdf/2012-4354.pdf>

2/27/12 CMS/ Treasury issued the final rule outlining the steps necessary for a state to pursue a State Innovation Waiver under §1332 of the ACA. The final regulation describes the process for filing a waiver application, along with a description of the content of the waiver application and the process for the public to review and comment on proposed waivers. The rule describes the criteria a state must meet in order to apply for a waiver beginning in 2017 including providing high quality coverage that is at least as comprehensive and affordable, to as many residents, as that offered through new state-run health insurance exchanges and does not increase the federal deficit.

Read the final rule at:

<http://www.gpo.gov/fdsys/pkg/FR-2012-02-27/pdf/2012-4395.pdf>

Read the proposed rule issued in March 2011 at:

<http://www.gpo.gov/fdsys/pkg/FR-2011-03-14/pdf/2011-5583.pdf>

According to CMS, "although the effective date for a Waiver for State Innovation is 2017, the Administration supports bipartisan legislation that would accelerate this effective date to 2014." In February 2011 President Obama voiced support for "The Empowering States to Innovate Act" introduced by Senators Ron Wyden, Scott Brown, and Mary Landrieu. Under that proposal, State Innovation Waivers would be available early to states beginning in 2014, rather than in 2017 as established by the ACA. Read the White House press release: [Whitehouse](#)

Read Secretary Sebelius' blog:

<http://www.whitehouse.gov/blog/2011/02/28/empowering-states-innovate>

President Obama's fiscal year 2013 budget proposal also includes similar language to accelerate "state innovation waivers," which would allow states to implement alternatives to the ACA in 2014.

Read a fact sheet on the President's FY13 Budget Proposal at: [Whitehouse](#)

Prior guidance can be viewed at www.healthcare.gov

News

2/23/2012 HHS announced that, as of December 31, 2011, the Pre-Existing Condition Insurance Plan (PCIP) under ACA§1101 is providing insurance to approximately 50,000 people with high-risk pre-existing conditions nationwide. The new numbers show that there are five Massachusetts residents who are enrolled in this program. Massachusetts and Vermont are guarantee-issue states where existing commercial plans already offer guaranteed coverage at premiums comparable to PCIP so the need for such a program may not be as high as in other states. In May 2011 CMS announced a policy change to the PCIP in states with a federally-administered PCIP program, such as Massachusetts. The change stated that United States citizens and nationals who have been without health insurance for at least six months can qualify for coverage if they can provide a letter from a doctor, physician assistant, or nurse practitioner dated within the past 12 months stating that they have or, at any time in the past, had a medical condition, disability, or illness. Applicants

do not need to provide a denial letter from an insurance company. This may have provided an additional opportunity for individuals with pre-existing conditions in the state who might have to wait up to eleven months to enroll in other plans in the state due to eligibility or open enrollment restrictions under Massachusetts law. The last enrollment update, which shows enrollment through July 31, 2011, showed one enrollee in the state.

For more information, visit:

<http://www.healthcare.gov/news/factsheets/2012/02/pcip02232012a.html>

2/22/12 HHS announced the award of \$229 million in Affordable Insurance Exchange grants to 10 states including Massachusetts to help them create exchanges under ACA §1311. The announcement of Level One Establishment Grant funding will give states more resources to set up exchanges and implement the ACA. States receiving awards are: Arkansas, Colorado, Kentucky, Massachusetts, Minnesota, Nevada, New Jersey, New York, Pennsylvania and Tennessee. See grant activity section above for more information on the Massachusetts award.

This announcement brings the number of states receiving Exchange Establishment awards to a total of 33 states and the District of Columbia, bringing the cumulative award total to nearly \$610 million to date. Additionally, one state has received a Level Two Exchange Establishment grant. These grants are part of a series of ACA grants to help states develop exchanges. Previously, 49 states and the District of Columbia received Exchange Planning grants and seven states received Early Innovator grants. Massachusetts received a \$1 million planning grant in September 2010 and is the leading partner in a consortium of the six New England states that received a \$35.6 million Early Innovator grant in February 2011.

HHS will continue to award exchange establishment grants may be awarded through 2014. More information on the Affordable Insurance Exchanges can be found at:

<http://www.healthcare.gov/news/factsheets/2011/05/exchanges05232011a.html>

EOHHS News

2/16/12 MassHealth's final proposal for a State Demonstration to Integrate Care for Dual Eligible Individuals was submitted to CMS on February 16, 2012. The final Demonstration Proposal and accompanying documents are posted at: www.mass.gov/masshealth/duals, under Demonstration Proposal. In addition, CMS posted the proposal at: <http://www.integratedcareresourcecenter.com/icmstateproposals.aspx> on February 17. CMS is seeking public comment through a 30-day notice period. During this time interested individuals or groups may submit comments to help inform CMS' review of the proposal. To be assured consideration, **please submit comments by 5 p.m. EST, March 19**. You may submit comments on this proposal to: MedicareMedicaidCoordination@cms.hhs.gov.

Upcoming Events

Quarterly Affordable Care Act Implementation Stakeholder Meeting

Monday, March 12, 2012 from 1PM- 3PM

1 Ashburton Place, 21st Floor

Boston, MA

*Please note the new time

**Integrating Medicare and Medicaid for Dual Eligible Individuals
Open Meeting External Event sponsored by the Massachusetts Medicaid Policy
Institute: "Risk Adjustment for Integrated Care: Breaking New Ground for Dual
Eligibles in Massachusetts"**

Wednesday, February 29, 2012

9:00 - 9:30 AM Registration and Refreshments

9:30 - 12:00 Noon Program

Omni Parker House, Kennedy Room

60 School Street

Boston, MA

Space for this event is limited. Please register at: [Events](#)

This forum is in follow-up to a report issued by Massachusetts Medicaid Policy Institute (MMPI), a program of the Blue Cross Blue Shield of Massachusetts Foundation. The report examines the critical need for risk adjustment in programs serving persons dually eligible for Medicare and Medicaid, and describing federal and state experience implementing risk adjustment models.

The report is available at:

[Risk Adjustment for Dual Eligibles: Breaking New Ground in Massachusetts.](#)

Bookmark the **Massachusetts National Health Care Reform website**

at: http://mass.gov/national_health_reform to read updates on ACA implementation in Massachusetts.

Remember to check <http://mass.gov/masshealth/duals> for information on the **"Integrating Medicare and Medicaid for Dual Eligible Individuals"** initiative.